

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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Correction

The number of the last INFORMATION LETTER (July 20) was erroneously printed as No. 251. It is suggested that recipients of the LETTER correct their copies so that the number of the July 20 issue reads No. 1641 instead of No. 251 to avoid confusion when back copies are used for filing and reference. Thus, the July 13 issue is No. 1640; the July 20 issue, No. 1641; this issue No. 1642, as shown correctly above.

Importance of Canning to Growers is Stressed on TV

Importance of the canning industry to farmers on the national, state and local scale was stressed in a live telecast from Station WBAY-TV, Green Bay, Wis., presented with the cooperation of The Larsen Company. The program, suggested by the kit of materials mailed to leading farm broadcasters and telecasters by the Information Division (see June 22 INFORMATION LETTER), made acknowledgment of the 50th Anniversary year of the National Canners Association, but dealt mainly with the values of the canning industry to the nation's farm community with specific illustrations of valuable contributions to the State of Wisconsin, and to the area in the northeast of the state termed by the station as "WBAY Land," where 70,000 TV listeners are served.

Narration was by Bob Parker, farm director of the station, who emphasized the amount of money brought into the territory by commodities canned there and for wages and salaries paid. This was followed by a film showing peas going from the field through the factory to the grocer's shelf. Narrator for this part of the program was Russell H. Winters, active in many phases of N.C.A. work and this year serving as a member of the Scientific Research Committee and as Wisconsin representative of the Farm Youth program. Mr. Winters also participated in the commentary both before and after the film section of the July 19 program.

N.C.A. Testimony Presents Canning Industry Views; Supports Food Additive Pre-testing and Data-filing

The canning industry's position regarding "food additive" amendments to the Federal Food, Drug, and Cosmetic Act was presented to a subcommittee of the House Committee on Interstate and Foreign Commerce by National Canners Association Chief Counsel, H. Thomas Austern, on Monday, July 22. The subcommittee was told that the industry opposes the bill (H. R. 6747) containing the Food and Drug Administration's proposals for "chemical additive" legislation and supports the Harris and Wolverton bills (H. R. 8390-H. R. 8629) which were introduced at the request of the Association.

Mr. Austern advised the Committee that the Harris-Wolverton bills represent an effort to deal with differences of opinion made apparent in the course of hearings a year ago and should not be considered "canning industry" bills but rather as measures that contain many ideas distilled from what was requested last year by the FDA, what was urged by food industry representatives, and what was said by members of the subcommittee during the course of the hearing.

Mr. Austern introduced his testimony by pointing out that "the problem of untested and possibly toxic chemical additives is not a major or acute problem with canned foods.

"That situation exists for three reasons," he stated.

"In the first place, for the bulk of canned foods, the canning process consists essentially of processing what is harvested at the peak of perfection, its immediate sterilization by heat, and the addition only of common salt or sugar.

"Secondly, almost all of the conventional canned fruits and vegetables are now standardized, and their ingredients have already been administratively scrutinized as to wholesomeness.

"Thirdly, the pesticide residue problem is now under control on the raw materials side under the 1954 Miller Pesticide Act."

It was explained, however, that the industry is vitally concerned with the legislation for a number of important reasons. These were identified by Mr. Austern as follows:

"First, we have an important interest in the occasional suggestions that antibiotics might be used in

Dr. Darby Appointed Head of Advisory Group on Additives

Representative John Bell Williams (Miss.), chairman of the Health and Science Subcommittee of the House Interstate Commerce Committee, reported on July 19 that Dr. William E. Darby, Vanderbilt University School of Medicine, has consented to act as chairman of a panel of experts to aid the subcommittee in its consideration of pending food additive bills.

Dr. Darby, who is head of the University's Department of Biochemistry and chairman of the Food Protection Committee of the National Academy of Sciences, will preside over panel hearings on August 6 and 7. Eighteen experts suggested by the Academy have been invited to attend.

Rep. Williams stated that "the scientific panel recommended by the National Academy of Sciences to discuss the safety of the Salk vaccine presented a balanced view of the scientific considerations which had to be taken into account in determining whether to proceed with the polio vaccine program which had been recommended to the Congress by the Administration or whether to discontinue vaccinations.

"In the case of chemical additives too, what the committee may need is a cross-section of the scientific points of view held by competent scientists in this field. The subcommittee expects that the panel recommended by the Academy will present to the subcommittee all of the requirements which must be borne in mind in passing on the safety or the lack thereof of chemical additives."

processed foods; and we have a considerable interest—and are doing massive research—in the suggested use of radiation from nuclear fission sources as a means of preserving food.

"Second, with constant research and product development, many fabricated ready-to-eat foods are being canned, and in their development the use of new ingredients is not unlikely.

"Finally, the National Canners Association owes its basic origin and a large part of its growth to Federal food and drug legislation. The Association was organized in 1907 at the time of the first Act. During its five decades of existence its research laboratories have regularly worked in cooperation with those of the FDA.

"The Association has constantly sponsored and supported new food and drug legislation and amendments. It sponsored the McNary-Mapes Amendment of 1930 which was the grandfather of food standards. It played a very considerable part in the development of the 1938 Act which is today's basic statute.

"The Association has also actively supported subsequent amendments, including the Miller Amendment affording Federal control after interstate shipment, the Factory Inspection Amendment, and the two Hale Amendments.

"No industry has worked more closely with the Food and Drug Administration in the development of food standards. The bulk of all existing standards cover, as I have already suggested, canned foods and fish.

"In short, the canning industry is among the more important industries regulated by the FDA. Necessarily, it is interested in any basic amendments to the law. It is cardinally concerned with any amendments which might change the entire structure of regulation, the basic relations between the FDA and those who desire voluntarily to comply with the law, and with any new legislative structure that may affect the development of new and better processed foods for the American housewife."

The basic opposition to the Administration measure, Mr. Austern stated, is not its underlying purpose but the licensing scheme of the bill (H. R. 6747). No one disagrees, N.C.A.'s spokesman declared, with the proposition that any new food additive, whose possible toxicity is unknown should not be pretested as to its safety nor that information concerning the pretesting and safety should be presented to the Food and Drug Administration for its consideration in advance of any use of the new ingredient in any food.

The licensing issue and five other specific issues presented by the vari-

ous pending legislative proposals were identified for the subcommittee by Mr. Austern as follows: 1. The controlling definition of an additive to be employed, 2. the so-called "grandfather" clause, 3. the argument about "functional value", 4. the licensing scheme of the Administration proposal, 5. the proper review procedure and court, and 6. the necessity and usefulness of an Advisory Committee.

In discussing the first of these, the question of the definition of an additive, Mr. Austern pointed out that the industry measure says that an ingredient is covered if it "becomes or could reasonably be expected to become" either a component of the food or to affect its characteristics. The Administration bill contains much more involved language about "directly or indirectly" resulting in the ingredient becoming a component or affecting the food's characteristics. The difference may be between adding an ingredient deliberately and its accidental incorporation.

The controls sought by the legislation should relate to what is deliberately and intentionally added to a food or which ordinarily can be expected to get into it. They are not intended to cover accidents, Mr. Austern said.

Another difference between the definitions is that the FDA proposal attempts to spell out what is a qualified expert whereas H. R. 8390 simply specifies that they must be qualified and experienced in evaluating the safety of food. The second one seems better, he said, because additional language "toxicity or other potentiality for harm" in the FDA bill confuses the idea of "safe for use".

In discussing the second issue, the scope of the "grandfather" clause, Mr. Austern recalled that over the past 19 years many manufacturers have in good faith gone to the FDA and inquired about the propriety of using a particular ingredient. They have often been told informally that such use was proper and have not bothered to get a formal letter. We believe, he said, that if anyone can demonstrate that he got informal approval from the FDA or the Meat Inspection Division, he ought not to be required to go through the new procedures as would be required by the FDA bill.

On the third issue, the question as to whether or not the Food and Drug Administration should be given authority to consider the "functional value" of a new ingredient, Mr. Aus-

tern opposed the Administration bill as follows:

"The industry I represent is adamantly opposed to having any Federal agency determine what the American consumer likes or dislikes or what serves a useful purpose in a food. * * *

"I would like to add one point about H. R. 6747 on this issue of 'functional value'. In the section relating to advisory committees, it is provided that this floating advisory committee can have referred to it 'any question of fact' that is raised. It is bad enough to have a Federal Bureau determine what is or is not attractive or useful for a consumer in a food. It is compounded heresy to enact a law which permits this question to be loosely referred to a committee of scientists.

"As I have suggested, the determination of functional value is hardly scientific. It is probably aesthetic and inescapably economic. It ought to be answered on the grocery shelf or by the consumer in the kitchen, and not by either a Federal bureau or a learned society.

"By the same token, the language on page 8, lines 15-18, of H. R. 6747, proves too much. These words say in effect that if a new ingredient is perfectly safe, functional value shall not be considered. The whole point of this bill is to determine what is safe and what is not safe within reasonable and workable limits. We appreciate that the FDA must and will be conservative in determining safety. But once it has determined that for a particular use an ingredient is 'without hazard to the health of man' that should be the end of the matter."

In discussing the basic licensing issue, Mr. Austern explained to the committee that the Harris-Wolverton bills, by requiring pretesting, the filing of data, and an immediate automatic injunction protects the public without a complicated regulatory system and elaborate administrative "mumbo jumbo". The bills supported by the industry, he pointed out, do not take away any enforcement weapon now available nor do they weaken or impair the power of the FDA to seize, enjoin, or prosecute criminally.

It is only where the paramount public interest cannot otherwise be protected, Mr. Austern said, that the industry's objections will be waived for a system that authorizes government to license what it may pack, how it may improve its products by adding new ingredients, and how it may operate. The industry measure, Mr. Austern said, "affords abundant public protection. In the one case in thousands in which a manufacturer, who believes that his pretesting has adequately established safety and

that the FDA has acted arbitrarily, will risk the publicity and invite a judicial test, he must give to the FDA at least three months notice and furnish a complete basis for an immediate restraining order. This will effectively stop the use of any ingredient which the FDA feels is not safe."

In arguing for the review provisions of the industry bill, Mr. Austern inquired:

"Why if successfully overturning the FDA in court is so remote and hopeless a task, should anyone care as to whether they get judicial review before a judge who sees the witnesses instead of merely on paper findings in a Court of Appeals? The answers are real and important.

"In the first place, it is largely because anyone who challenges the FDA on an issue of safety has almost an impossible assignment—principally because, as I suggested last year, the FDA has such momentum in sustaining its position before any tribunal—that a real trial with live witnesses heard and seen by a judge is essential. As Judge Biggs told the Committee last year, Court of Appeals review is on the findings of the agency and the entire supporting record. Questions of fact are not reviewed except on the whole record.

"But these findings are agency findings; they are prepared by the FDA staff. It is only natural that they are formulated, stated, and prepared strongly to support the agency position. There is no opportunity to examine or cross-examine any witnesses before the Court of Appeals.

"Let us look at the point specifically as it is written in H. R. 6747. The findings of the agency are prepared after the agency holds its own hearing before its own lawyer as a presiding officer. The judicial review operation is a paper operation done on a vast record. The arguments in the Court of Appeals must be directed to the findings, and not directly in terms of the particular issue on which the petitioner wants attention focused. In the event of arbitrary or capricious action, the findings insulate the actors from live, judicial scrutiny.

"The second—and indeed the essential—reason for review in the District Court derives not from what may happen in court in a particular case but from the salutary effect of real court review on agency action. I have often urged that the real reason for any hearing is to expose administrative action to cross-examination. He who regulates—he who determines not to accept scientific evidence—ought to be made to appear and answer why. If those who make administrative decisions know that where they act arbitrarily they may be interrogated before a trained judge, the indirect effect on careful action in the agency is fully felt

Hearings Resume Aug. 6

The food additive hearings were suspended July 24 after eight days of testimony had been presented by industry, congressional, judicial, medical, and consumer representatives. They will be resumed on August 6 and 7 to hear a panel of experts selected from the National Academy of Sciences. Testimony of the Food and Drug Administration also is yet to be presented to the Williams subcommittee of the House Committee on Interstate and Foreign Commerce.

even though realistically the reviewing judge will almost never overrule the basic agency decision.

"This salutary effect within the agency cannot be achieved where they know that they are insulated by the administrative finding process and that they can never be subjected to disciplined court room inquiry before a live judge."

The sixth issue, the desirability of an Advisory Committee selected from the National Academy of Sciences having controversial questions referred to it, was opposed in Mr. Austern's testimony as not good government, confusing as to real responsibility for decision, and burdening the entire proceedings with additional delay and cost. Mr. Austern developed these points in the following testimony:

"The National Academy of Sciences is a private non-profit corporation operating under a Federal charter. But it is in no sense a governmental agency.

"The National Research Council consists of about 3,000 scientists located all over the United States who are appointed by the Academy and serve on its various committees. These men are volunteers; they are ordinarily not paid; and their participation in the Council's work is necessarily only part time.

"The National Academy and the Research Council work on research contracts for the Federal Government, also for private industry, and get part of their funds from private endowments.

"H. R. 6747 provides, by cross-reference to the Pesticide Act of 1954, for a referral of either the whole petition or any question of fact, whenever the applicant or the Secretary so desires. In the cross-references, it is specified that the Advisory Committee be selected by the National Academy of Sciences. They are to get a per diem and travel expenses, but not to be subject to any provisions of law covering government officials.

"Ordinarily, the National Academy accepts the recommendations of the government agency with which it deals as to who should serve on committees. If no one wants to serve, H. R. 6747 provides that the FDA may itself appoint the Advisory Committee.

"The bill also specifies that the petitioner, 'shall have the right to consult with such Advisory Committee in connection with the matter referred to it'. Obviously, the FDA may also consult with it.

"But when, where, or how this private group is to function is not specified. Its members will be located all over the United States. They will be working part-time without any regulation and with no standards. Even more troublesome, H. R. 6747 requires that the petitioner must put up the money to pay their per diems and traveling expenses.

"A further difficulty exists in that no one in the FDA may, under Section 6 of the H. R. 6747, reveal or use trade secrets, but this restriction would probably not apply to the Advisory Committee.

"What is here contemplated, if not invited, is that everybody lobby with the members of the Advisory Committee on the question of safety. In addition, as I have suggested, even the question of 'functional value' can be thrown into the Advisory Committee arena.

"After 60 or 90 days, the Advisory Committee files a report. But what does that report mean? The FDA need not accept it. The people who wrote the report are not required to come and state the basis for their individual views. One of them may come and presumably attempt to tell what the others said or thought.

"H. R. 6747 has conflicting provisions as to the effect of the report. But what is clear is that if the FDA wants to adopt it, the report will constitute substantial evidence supporting its administrative findings and conclusions. A further iron curtain is to be drawn.

"Why is it necessary to add this flying buttress to the procedure of FDA review of pretesting data? The FDA cannot abdicate its own responsibility in safeguarding the public health. The food manufacturer in dealing with his government ought not to be required, expensively and almost everywhere, to deal on this loose basis with these advisers, who however learned or willing they may be, are not government officials.

"The entire suggestion is reminiscent of the NRA Code Authorities and all of the difficulties and confusion that they caused.

"If these scientists are interested, knowledgeable, and available, they can be consulted and asked to testify—directly and in regular fashion—on any issue of scientific fact or opinion."

N.C.A. Opposes Reissuance of Depreciable Life Schedule

Any revision or reissuance of Bulletin "F" by the Internal Revenue Service was opposed by the National Canners Association this week in a letter sent to the Commissioner by Executive Secretary Carlos Campbell. Bulletin "F" is a schedule of the useful lives of depreciable property, the current document having been issued in 1942.

The statement of N.C.A. views was prompted by a general request from the Service for trade associations and others to submit their recommendations to the Commissioner as to whether Bulletin "F" should be revised or reissued.

Mr. Campbell summarized the Association's position by stating that "schedules of depreciable lives based on national averages will be meaningless in the case of any given taxpayer. Moreover, experience has demonstrated that, despite prefatory admonitions to the contrary, many examining agents will treat Bulletin 'F' lives as authoritative and binding upon them and taxpayers. Finally, we believe any revision of Bulletin 'F' will be incomplete and obsolete, if not immediately, certainly within a period of two or three years."

Following is the full text of the N.C.A. argument as presented to the Commissioner of Internal Revenue:

1. The schedules of depreciable lives in Bulletin "F" are based on national averages and have no valid meaning in the case of any given taxpayer. The preface to the 1942 edition of Bulletin "F" itself states: "The estimated useful lives and rates of depletion indicated in this bulletin are based on averages and are not prescribed for use in any particular case."

The United States is a vast country with a large population engaged in innumerable pursuits. Different conditions and techniques are used not only in different sections of the country, but within any given area. Free enterprise and competition encourage diversity.

In the canning industry processors operate under the most varied conditions. Some canners process only a single commodity, for example, tomatoes. For them the canning season runs only 4-10 weeks. Other canners process a whole variety of products, and the canning season may last 9-10 months. Still other canners produce commodities fabricated from stored materials, for example, soups, and their operations are conducted on a year-round basis. Not only does the life of canning equipment vary with the amount of usage, but it may also depend upon the product being proc-

essed. For example, some vegetables are much more corrosive than others, and this will have a pronounced effect upon the life of the equipment.

Moreover, the enterprises in this industry range from small businesses with few employees and fairly simple operations and equipment to large organizations with thousands of employees and the very largest in complex automatic machinery. National averages based upon these differences in product, period of annual operations, size and business techniques would not be meaningful. Lists of useful lives could not possibly be fitted into the infinite number of situations which arise in this and other industries.

Finally, schedules of useful lives based on national averages are inconsistent with the provisions and spirit of the Treasury regulations under Section 167 of the 1954 Code. Section 1.167(a)-1(b) of these regulations defines "useful life" as "the period over which the asset may reasonably be expected to be useful to the taxpayer in his trade or business or in the production of his income." (Emphasis added.) Thus, this period is to be determined on the basis of the taxpayer's own experience, not that of thousands of taxpayers operating under vastly different conditions.

2. Bulletin "F" has been prejudicial to many taxpayers. Although the preface states that the useful lives in the bulletin are not prescribed for use in any particular case and are set forth "solely as a guide or starting point," for many Revenue agents, these lives are the final word emanating from the national office in Washington. Sometimes even companies with experienced tax counsel have had to accept Bulletin "F" lives because they could not afford the expense of preparing the evidence required to carry the heavy burden of overcoming the presumptive correctness of the Revenue agent's determination based on Bulletin "F". Small companies particularly are often unable to protect their interests and accept the position of the agent and the obsolete lives of Bulletin "F". Because it has encouraged the use of unrealistic depreciable lives, Bulletin "F" has discouraged proper replacement policies.

A 1957 edition of Bulletin "F" would unfortunately be given the same weight as prior editions of Bulletin "F". This would happen no matter what the rulings or regulations of the Treasury Department might say about Bulletin "F" being only a "guide".

3. Bulletin "F" is clearly incomplete and obsolete today, and has been for many years. Experience has demonstrated that the Internal Revenue Service will not be able to keep Bulletin "F" up to date on a continuing basis. The last revision was more than 15 years ago, and the one before that more than 26 years ago. On the

basis of this record, it can be expected that the next revision will not be made until 1968 to 1973.

Even if more frequent revisions were likely, Bulletin "F" would still lag behind the times. Our economy has become increasingly dynamic, and developments during the past ten years have been particularly dramatic. Ten years ago 150 to 200 cans per minute were typical line speeds. Today line speeds run from 350 to 500 cans per minute, and in some cases up to 1,000. A canner wishing to remain competitive would be at a serious disadvantage if he used, for example, fillers or closing machines purchased more than several years ago. Other dramatic examples of technological change in canning equipment are the development of continuous agitating retorts, asparagus washers, and testing apparatus.

These developments are continuing with almost bewildering rapidity. The schedules of depreciable lives in the present Bulletin "F" are based primarily on historical studies, without reference to obsolescence or other factors significant in individual cases. Although the announcement of February 18, 1957, referred to the importance of "technological improvements" Service personnel will find it difficult, if not impossible, to depart from traditional attitudes and techniques in depreciation matters, and the schedules of depreciable lives in a revised Bulletin "F" will very likely be based upon surveys of existing machinery and equipment, much of which is obsolete or soon will be.

USDA Food Donations in 1957

Food donations by the USDA reached a record high in the fiscal year ended June 30, under an active Department effort to dispose of surpluses. A total of 2,818,400,000 pounds of food was donated during the year to recipients here and abroad through the direct distribution program conducted by USDA's Agricultural Marketing Service.

Sharp increases were reported in distribution to recipients both in this country and abroad of foods which USDA has acquired in operation of its price support and surplus removal program.

Distribution domestically was increased to 1,043,000,000 pounds, up 32 percent over the total for fiscal year 1956. Foreign distribution rose to 1,775,400,000 pounds, an increase of 45 percent over the same period a year ago. The total cost of all donations declined from \$537.1 in fiscal 1956 to \$483.1 million in fiscal 1957.

The surplus foods donated for domestic and foreign use in the last fiscal year totaled 152.4 million pounds

of dry beans, 52.2 million pounds of canned and frozen pork, 279.3 million pounds of rice, 25.4 million pounds of turkeys, and small quantities of cabbage, fresh plums, and sweet potatoes.

Distributions were made in the school lunch program, to institutions, to needy persons, and in disaster relief.

Canned Grapefruit for U. K.

The U. S. Department of Agriculture has announced issuance of a purchase authorization to the United Kingdom to finance the purchase from United States suppliers of up to \$350,000 worth of canned grapefruit, under previously announced Public Law 480.

Purchase Authorization No. 19-05 will be under supervision of the U. K. Board of Trade, and provides for the purchase of canned grapefruit sections, U. S. Grade A or better. The product must originate from fruit produced in the continental United States. The Commodity Credit Corporation has no stocks of canned grapefruit.

Transactions under this authorization shall be financed through direct reimbursement to the Government of the U. K. by CCC upon submission of the required documentation not later than 210 days after expiration of the specified delivery period, to the CSS Commodity Credit Office, U. S. Department of Agriculture, 1010 Broadway, Cincinnati 2, Ohio.

Reimbursement under the authorization will be made only with respect to canned grapefruit procured from U. S. sources on or after July 15, 1957, and on or before September 30, 1957. Delivery will be to importer f.a.s. vessel, U. S. ports. Shipments from U. S. ports may be made on or after July 15, 1957, but not later than September 30, 1957.

Inquiries with respect to this program should be directed to the Foreign Trade Programs Division, Foreign Agricultural Service, U. S. Department of Agriculture, Washington 25, D. C.

Green Beans for School Lunch

An offer to buy canned green beans packed during 1957, for use in the school lunch program was announced July 24 by the U. S. Department of Agriculture. Offers will be considered on No. 10, No. 2, and No. 303 can sizes, but No. 10's are preferred.

USDA is now mailing invitations to offer canned green beans for school lunch use, including detailed specifica-

tions. Offers should be submitted to the Director, Fruit and Vegetable Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C., not later than August 7, for acceptance by August 16. USDA requires delivery during the period September 3 through October 7.

H. A. Verhulst

Henry A. Verhulst, 75, founder and chairman of the board of Calumet-Dutch Packing Company, Sheboygan, Wis., died July 22, following a month's illness. He is survived by his widow and two sons, Gordon, who is president of the firm, and Marvin, executive secretary of the Wisconsin Cannery Association.

Mr. Verhulst entered the canning business in 1921 while still engaged in the wholesale cheese business in Sheboygan, but devoted full time to canning from 1928 on. He served as a director and officer of the Wisconsin Cannery Association from 1928 to 1931, and as a director of the National Cannery Association from 1939 to 1941.

Canned Baby Food Stocks

Details of the canned baby food supply, stock and shipment situation are reported by the N.C.A. Division of Statistics as follows:

| | 1956 | 1957 |
|----------------------------------|-----------------------|---------|
| | (thousands of dozens) | |
| Canner stocks, Jan. 1..... | 77,017 | 74,965 |
| Pack. Jan.-June..... | 62,002 | 67,666 |
| Supply..... | 139,019 | 142,631 |
| Canner stocks, July 1..... | 86,494 | 86,504 |
| Canner shipments, June..... | 12,696 | 13,849 |
| Canner shipments, Jan.-June..... | 82,525 | 86,127 |

Stocks of Canned Foods on July 1 and Season Shipments

Reports on canners' stocks and shipments of canned apples, applesauce, RSP cherries, green and wax beans, beets, carrots, corn, pumpkin and squash, tomato juice, catsup and chili

Pack of Canned Meat

The quantity of meat canned and meat products processed under federal inspection during the month of June has been reported by the Agricultural Marketing Service of USDA at 163,789 thousand pounds, including quantities for defense.

CANNED MEAT AND MEAT PRODUCTS PROCESSED UNDER FEDERAL INSPECTION, JUNE, 1957

| | 3 Lbs. & over | Under 3 Lbs. | Total |
|--|-----------------------|--------------|---------|
| | (thousands of pounds) | | |
| Luncheon meat..... | 12,841 | 9,344 | 22,184 |
| Canned ham..... | 12,599 | 306 | 12,905 |
| Beef hash..... | 282 | 4,221 | 4,503 |
| Chili con carne..... | 285 | 4,488 | 4,773 |
| Vienna sausage..... | 66 | 5,145 | 5,211 |
| Frankfurters and wieners in brine.... | 1 | 301 | 302 |
| Deviled ham..... | | 894 | 894 |
| Other potted and deviled meat products..... | | 2,634 | 2,634 |
| Tamales..... | 52 | 1,595 | 1,647 |
| Sliced, dried beef..... | 17 | 295 | 313 |
| Chopped beef..... | | 1,019 | 1,019 |
| Meat stew..... | 86 | 3,783 | 3,869 |
| Spaghetti meat products..... | 127 | 10,249 | 10,376 |
| Tongue (not pickled)..... | 60 | 148 | 208 |
| Vinegar pickled products..... | 700 | 1,378 | 2,078 |
| Sausage..... | | 724 | 724 |
| Hamburger..... | 126 | 1,985 | 2,111 |
| Soups..... | 1,860 | 48,050 | 49,910 |
| Sausage in oil..... | 340 | 327 | 667 |
| Tripe..... | | 342 | 342 |
| Brains..... | | 197 | 197 |
| Loins and picnics..... | 1,808 | 342 | 2,149 |
| All other products 20% or more meat..... | 307 | 7,047 | 8,044 |
| All other products less than 20% meat (except soup)..... | 431 | 21,395 | 21,725 |
| Total all products..... | 32,077 | 126,717 | 158,794 |

Columns do not add to totals shown in all cases since rounded figures are used. Amounts packed for defense are not included in these items. Total production, including quantities for defense agencies, was 163,789 thousand pounds.

sauce have been issued by the N.C.A. Division of Statistics, and detailed reports covering the July 1 stock and shipment situation were mailed to packers of these products.

| | Carry-over month | Case basis | Total Supply | | Canners' Stocks, Season Shipments | | | |
|--------------------------|------------------|------------|--------------|--------|-----------------------------------|--------|------------|--------|
| | | | 1955 | 1956 | July 1, | | to July 1, | |
| | | | 1956 | 1957 | 1956 | 1957 | | |
| (thousands of cases) | | | | | | | | |
| Apples..... | Aug. | 6/10 | 4,625 | 4,905 | 1,230 | 1,475 | 3,395 | 3,431 |
| Applesauce..... | Aug. | actual | 15,901 | 17,173 | 2,708 | 4,274 | 13,192 | 12,899 |
| RSP cherries..... | July | actual | 5,027 | 3,103 | 355 | 4301 | 4,073 | 2,902 |
| Green and wax beans..... | July | actual | 30,517 | 30,397 | 5,085 | 4,708 | 25,432 | 25,689 |
| Beets..... | July | actual | 9,689 | 11,980 | 1,540 | 3,014 | 8,180 | 8,965 |
| Carrots..... | July | actual | 2,643 | 3,468 | 500 | 1,039 | 2,143 | 2,429 |
| Corn..... | Aug. | actual | 34,530 | 44,300 | 3,295 | 7,538 | 31,235 | 36,852 |
| Pumpkin and squash..... | July | actual | 3,764 | 4,613 | 396 | 1,357 | 3,368 | 3,256 |
| Tomato juice..... | July | actual | 29,039 | 40,030 | 2,012 | 49,077 | 27,027 | 30,953 |
| Catsup..... | July | actual | 25,647 | 33,151 | 2,850 | 7,180 | 22,797 | 25,971 |
| Chili sauce..... | July | actual | 2,831 | 3,753 | 460 | 1,048 | 2,371 | 2,704 |

* Carryover from 1956 pack into 1957-58 season.

Green Peas for Processing

The 1957 prospective production of green peas for processing is estimated at 562,640 tons on the basis of July 15 conditions, according to the Crop Reporting Board of USDA. This compares with the 1956 production of 545,110 tons and the 1946-55 average production of 435,340 tons.

The July 15, 1957 indicated yield for the United States is 2,445 pounds. This compares with 2,301 pounds of shelled green peas obtained in 1956 and the preceding 10-year average of 2,030 pounds.

Yield prospects improved in practically all of the late producing states after July 1. Near record high yields are in prospect for several important states, including Washington, Utah, Wisconsin and New York.

| State | 10-year ave. 1946-55 | 1956 | 1957 Indi- cated | Per- cent change from 1956 |
|------------------------------|----------------------------|---------|------------------------|--|
| (tons—shelled) | | | | |
| Maine..... | 6,470 | 11,030 | 8,050 | -27 |
| N. Y..... | 23,000 | 12,960 | 18,000 | +39 |
| Pa..... | 16,200 | 11,860 | 10,290 | -13 |
| Ohio..... | 2,180 | 900 | 900 | |
| Ind..... | 2,950 | 2,440 | 1,950 | -20 |
| Ill..... | 26,350 | 31,060 | 40,040 | +29 |
| Mieh..... | 5,160 | 4,400 | 6,270 | +42 |
| Wis..... | 128,470 | 126,520 | 163,200 | +29 |
| Minn..... | 46,060 | 50,700 | 63,000 | +24 |
| Del..... | 2,560 | 7,450 | 6,080 | -18 |
| Md..... | 10,060 | 12,340 | 9,780 | -21 |
| Va..... | 1,800 | 2,530 | 1,430 | -43 |
| Idaho..... | 10,460 | 19,000 | 16,800 | -14 |
| Colo..... | 2,910 | 1,760 | 1,950 | +11 |
| Utah..... | 12,720 | 8,670 | 10,230 | +18 |
| Wash..... | 65,640 | 123,490 | 97,200 | -21 |
| Ore..... | 50,570 | 83,200 | 82,350 | -1 |
| Calif..... | 9,520 | 20,330 | 13,390 | -34 |
| Other states ¹ .. | 12,260 | 13,670 | 11,730 | -15 |
| U. S. Total.... | 435,340 | 545,110 | 562,640 | +3 |

¹ Ark., Iowa, Kans., Mo., Mont., Nehr., N. J., Okla., Tenn., W. Va., and Wyo.

USDA Cranberry Standards

The Department of Agriculture announced on July 19 that U. S. standards for fresh cranberries for processing will become effective August 24, 1957.

Developed at the request of the cranberry industry, the standards provide for only one grade, "U. S. No. 1," which will provide a more uniform basis for grower-processor contracts, it was stated.

To meet the requirements of U. S. No. 1, cranberries must be clean, mature, not soft or decayed, at least fairly well colored, and not less than 9/32 inch in diameter. Tolerance for black rot is one-half of 1 percent.

Canco Research Appointments

Dr. Robert W. Pilcher has been named scientific coordinator of American Can Company and Dr. Kenneth W. Brighton has been appointed to succeed him as director of research. Both will make their headquarters at the firm's Research and Development Center at Barrington, Ill.

Dr. Pilcher has been with Canco's research organization since 1930, when he was appointed superintendent of nutrition and dietetics. For a number of years he served in sales activities and in 1942 was named assistant director of research. He was appointed associate director of research in 1944 and director of research in 1951.

From the inception of the N.C.A.-C.M.I. Nutrition Program in 1941, Dr. Pilcher had an important part both in planning and administering the program. His background in nutritional studies and talent for research planning were drawn upon in both the general planning and selection of individual projects. As a member of the Nutrition Executive Committee until 1950, he helped to guide the execution of research and publication of results, including the book, *Canned Foods in Human Nutrition*.

Dr. Brighton joined Canco as a technologist in 1936 and has held a number of research positions since that time. He was named associate director of research in 1951. He will continue to serve as general manager of Canco's new products department, a position he has held for the past 12 months.

Food and Container Institute

Col. Ervin L. Keener, QMC, has been assigned as Commandant of the QM Food and Container Institute for the Armed Forces, in Chicago.

He has been relieved of duty in Alaska, where he has been serving, and is expected at the Institute in August.

Ladies Home Journal

Canned foods are generously used in six recipe suggestions given in the article "Summer Shelf Magic" in the July *Ladies Home Journal* magazine.

For cool cooking and for planning substantial main dishes which almost make themselves, the author of the article, Nancy Crawford Wood, says to turn to the kitchen cupboard. Pictured in color is one of the suggestions, tomatoes stuffed with canned

corned beef hash. Other dishes include canned mushrooms, cream of chicken soup, chicken, ripe olives, chili con carne, vegetable juice cocktail, tomato juice, clams, lobster, and tomato sauce.

Capper's Farmer

"Blend can-handly soups for intriguing new dishes—hot or cold!" says Mary Cunningham in her article, "Sparkling Summer Soups," in the July *Capper's Farmer* magazine.

About the six recipes given, the author says, "They're no work at all when you start with canned soups, and the possibilities are endless!" The soups used in the recipes are tomato, cream of chicken, beef consomme, green pea, cream of asparagus, cream of celery, cream of mushroom, Scotch broth, bean with bacon, vegetable beef, and chicken gumbo.

Parade

Food editor Beth Merriman described her featured menu suggestion and recipe as "—wonderful warm-weather eating!" The article appeared in *Parade* magazine on Sunday, July 21, and carried the title "Tuna Crown Salad."

Along with tuna, the salad recipe also used tomato juice. The Kitchen Hint for the week was: "Keep a can or two of jellied consomme in the refrigerator. Try new touches—a topping of yogurt; a swirl of sour cream; a fold-in of flaked crab meat."

The article was illustrated with a large black and white photograph of the salad.

Canned Foods for Picnics

How canned foods simplify "spur-of-the-moment" picnics is the theme of a July 1 television release issued under the N.C.A. Consumer and Trade Relations Program to 265 telecasters in 162 cities in 45 states and Alaska, Canada, Cuba, and Hawaii. Total estimated listening audience of the stations receiving the release is 24,000,000.

The copy urges that kitchens be kept well-stocked with canned foods for quick loading of picnic baskets. It points up the availability of hearty, main dishes in cans and advises on proper use of cans as cooking utensils over open fires. Various side dish possibilities are enumerated, and advice is given for use of canned foods on outings where no cooking is contemplated. Sandwich possibilities are included.

USDA Corn Program Report

The Agricultural Marketing Service of the U. S. Department of Agriculture has brought out its summary report of the Plentiful Foods Special Program on Canned Sweet Corn, conducted last winter. In this illustrated booklet, PF-58, the corn situation of the fall of 1956 is reviewed and a brief outline given of industry-government activities to meet it, including those of the National Canners Association.

Some of the documentary samples of information media, distributive food trades and allied organization are reproduced. There are illustrations of the meetings held in Washington, D. C., Boston, Milwaukee, and Chicago; samples of promotion materials from canning associations and supply groups; features produced by magazine merchandising services; USDA literature including that of the extension services; processor and retailer advertising examples; in-store displays; and typical features and recipes carried by food editors in leading newspapers and magazines.

Poultry Slaughter Byproducts

Poultry slaughter plants handling large volumes of birds can profit by adding a plant for processing by-products and wastes, according to a report by USDA. For small plants, however, such facilities usually are not economic, the report found.

The study was made under contract for the USDA by the Battelle Memorial Institute, a private research organization. The report, issued by USDA's Agricultural Marketing Service, details costs and methods of by-products processing in plants of various sizes.

Copies of the report, *Processing Poultry Byproducts in Poultry Slaughtering Plants* (Marketing Research Report No. 181), may be obtained from the Office of Information, U. S. Department of Agriculture, Washington 25, D. C.

Rapid AIS Method for Peas

A rapid method for alcohol insoluble solids in peas has been developed to the point where it is available to canners to try out in their own laboratories. Copies of the method may be obtained upon request to the Western Research Laboratory, National Canners Association, 1950 Sixth St., Berkeley 10, Calif. The application of the method to corn and lima beans is now under investigation.

Forthcoming Meetings

- July 31-Aug. 9—New York State Canners and Freezers Association, 17th Annual Mold Count School, Experiment Station, Geneva.
- Aug. 5—New York State Canners and Freezers Association, Summer Outing, Midvale Country Club, Penfield, N. Y.
- Aug. 5-7—International Apple Association, Inc., 63d Annual Convention, Cincinnati, Ohio
- Oct. 10-12—Florida Canners Association, 26th Annual Meeting, Americana Hotel, Bal Harbour
- Oct. 14-16—Sanitation Maintenance Show and Conference, Navy Pier, Chicago, Ill.
- Oct. 20-23—National Association of Food Chains, 34th Annual Meeting, Sheraton Park and Shoreham Hotels, Washington, D. C.
- Oct. 28-31—National Industrial Packaging & Handling Exposition of 1957, Convention Hall, Atlantic City, N. J.
- Nov. 4-6—Iowa-Nebraska Canners Association, Annual Meeting, Hotel Fort Des Moines, Des Moines
- Nov. 7—Illinois Canners Association, Fall Meeting, LaSalle Hotel, Chicago
- Nov. 11—Tennessee-Kentucky Canners Association, Annual Convention, University of Tennessee, Knoxville
- Nov. 11-13—Wisconsin Canners Association, 55d Annual Convention, Schroeder Hotel, Milwaukee
- Nov. 20-22—Indiana Canners Association, Fall Meeting, French Lick-Sheraton Hotel, French Lick
- Nov. 21-23—Michigan Canners and Freezers Association, Fall Meeting, Pantlind Hotel, Grand Rapids
- Nov. 24-25—Pennsylvania Canners Association, 43rd Annual Convention, Yorktowne Hotel, York
- Dec. 4-6—Tri-State Packers Association, Annual Convention, Lord Baltimore Hotel, Baltimore, Md.
- Dec. 5-6—New York State Canners and Freezers Association, 72d Annual Convention, Hotel Statler, Buffalo
- Dec. 9-10—Ohio Canners Association, 50th Annual Convention, Neil House, Columbus
- Dec. 9-10—Ontario Food Processors Association, Annual Meeting, Royal York Hotel, Toronto, Ont.
- Dec. 14—National Food Sales Conference, National Food Brokers Association, The Conrad Hilton, Chicago
- Jan. 6-8—Northwest Canners and Freezers Association, Annual Convention, Olympic Hotel, Seattle
- Jan. 9-10—Canners League of California, 36th Annual Fruit and Vegetable Sample Cuttings, Fairmont Hotel, San Francisco
- Jan. 17-18—National Preservers Association, Annual Meeting, Atlantic City, N. J.
- Jan. 20-22—NATIONAL CANNERS ASSOCIATION and Canning Machinery and Supplies Association, 51st Annual Convention, Atlantic City, N. J.
- Jan. 27-29—Canadian Food Processors Association, Annual Convention, Seignior Club, Montebello, P. Q.
- March 2-5—National Association of Frozen Food Packers, Annual Convention, The Conrad Hilton, Chicago
- March 21-23—Utah Canners Association, 46th Annual Convention, Hotel Utah, Salt Lake City
- March 24-25—Canners League of California, 54th Annual Meeting, Santa Barbara Biltmore, Santa Barbara
- April 20-23—U. S. Wholesale Grocers Association, Grocery Distribution Exposition, Kiel Auditorium, St. Louis
- May 4-7—Super Market Institute, Annual Convention and Exposition, Cleveland
- June 9-12—National Association of Retail Grocers, 89th Annual Convention, New York

Tax Relief for Small Business Urged in Eisenhower Letter

Four tax recommendations designed to give relief to small business have been made by President Eisenhower in a letter to Chairman Jere Cooper (Tenn.) of the House Ways and Means Committee, and the six Republican members of the Committee have urged prompt action. The President's recommendations were as follows:

That businesses be given the right to utilize, for purchases of used property not exceeding \$50,000 in any one year, the formulas of accelerated depreciation contained in the Internal Revenue Code of 1954.

That corporations with 10 or fewer stockholders be given the option of being taxed as if they were partnerships.

That the taxpayer be given the option of paying the estate tax over a period of up to 10 years in cases where the estate consists largely of investments in closely held business concerns.

That an original investor in small businesses be given the right to deduct from his income, up to some maximum amount prescribed by Congress, a loss, if any, realized on a stock investment in such business.

Wendell B. Barnes, Administrator of the Small Business Administration, estimated that the annual tax relief resulting to small business from the four suggestions would be about \$300 million.

Status of Legislation

Agricultural trade development—S. 1314 (Ellender of La.), to raise Title I authorizations from \$3 billion to \$4 billion and extend P. L. 480 to June 30, 1958, was passed by the Senate April 1 and by the House June 21. The conference report was adopted by the House July 9.

Alaska statehood—H. R. 7999, to provide statehood for Alaska, was reported by House Interior and Insular Affairs Committee June 25. S. 49, Alaska statehood, and S. 50, Hawaii statehood, were approved by Senate Interior Subcommittee July 1.

Defense procurement—S. 1537 (McClellan of Ark. and McCarthy of Wis.) and a number of companion bills in the House, to create a "Supply and Service Administration" in the Department of Defense for purchase and distribution of common supply items, in line with Hoover Commission recommendations, have been introduced and referred to Armed Services Committees.

FDA food additives—H. R. 6747 (Harris of Ark.) and S. 1895 (Hill of Ala.), the Administration-sponsored

bill, H. R. 8390 (Harris of Ark.), H. R. 8629 (Wolverton of N. J.) and other food additives bills were the subject of hearings by the Health and Science Subcommittee of the House Commerce Committee July 15-24. N.C.A. supports H. R. 8390 and H. R. 8629.

Fishermen's Protective Act—Bills to broaden protection of fishermen on the high seas were the subject of a hearing by a House Fisheries Subcommittee April 17 and July 16. Order reported with amendments by Senate Committee July 25.

Government contracts—H. R. 722, to amend the Robinson-Patman Act so as to make sales to nonprofit institutions for resale, subject to the Act, has been referred to House Judiciary Committee.

ICC agricultural exemption—S. 1689 (Magnuson of Wash.) and H. R. 5823 (Harris of Ark.), to amend the agricultural exemption in sec. 203 (b) (5) of the Interstate Commerce Act, have been introduced.

ICC private carrier definition—S. 1677 (Magnuson of Wash.) and H. R. 5825 (Harris of Ark.), to amend the definition of a private motor carrier, as recommended by the ICC, was the subject of hearings by the Senate Surface Transportation Subcommittee May 6-10.

ICC private carrier registration—S. 1490 (Magnuson of Wash.) and H. R. 5664 (Harris of Ark.), to require private motor carriers to register with the ICC annually, was approved by the Senate Surface Transportation Subcommittee April 12 and further action on the bill has been postponed indefinitely.

Marketing orders, cranberries—S. 1680 (10 Senators from 5 cranberry producing states) and other bills to amend the Agricultural Marketing Agreement Act so as to authorize marketing orders for cranberries for canning, were the subject of hearings by a Senate Agriculture Subcommittee April 20. N.C.A. opposes.

North Pacific Fisheries Act—S. 2212, to extend the area of federal control over net fishing of salmon and certain other fish was signed by the President on July 24 and is P. L. 85-114.

Packers and Stockyards Act—S. 1356 (O'Mahoney of Wyo.), to transfer antitrust jurisdiction over meat packing operations from USDA to FTC, was reported by the Senate Judiciary Committee July 18. A joint subcommittee of the House Judiciary and Interstate and Foreign Commerce Committees and a subcommittee of the House Agriculture Committee have concluded hearings.

Potato marketing and labeling—A number of bills to prohibit the sale of potatoes of a lower grade than U. S. No. 2, under certain conditions, were the subject of hearings by the House Agriculture Committee April 15-16 and by the Senate Agriculture Com-

mittee May 21-22. N.C.A. opposes application to canning.

Poultry inspection—S. 1747 (Aiken of Vt.), providing for compulsory USDA inspection of poultry products, was passed by the Senate April 8. H. R. 6814 was passed by House July 9. S. 1747 was passed by the House, with House amendments, July 15.

Premerger notification—H. R. 7698 (Celler of N. Y.), to require 60 days notice prior to merger of corporations having total book value of more than \$10 million, was reported by House Judiciary Committee May 28.

Raw product bargaining—S. 1743 (Aiken of Vt.), to legalize organized bargaining for agricultural commodities under certain conditions, has been referred to Senate Agriculture Committee, which has requested USDA views; and H. R. 6799 (Bow of Ohio) and H. R. 7807 (Bentley of Mich.) have been referred to House Judiciary Committee. No action scheduled.

Reorganization Act—S. 1791, to extend to June 1, 1959, the authority of the President to reorganize the executive branch, was passed by the Senate June 1 and by the House, with amendments, July 10.

Robinson-Patman Act—S. 11 (Kefauver of Tenn.) and H. R. 11 (Pat-

man of Tex.), to restrict the good faith defense against a charge of price discrimination, was approved without recommendation, by Senate Antitrust Subcommittee June 21 and is pending before the Judiciary Committee.

Small Business Administration—H. R. 7963, to make the SBA a permanent agency and to revise its authority, was passed by House June 25. S. 2504, to extend the SBA one year, was reported by Senate Banking Committee July 9.

Wage-Hour—S. 1853 (Kennedy), which includes proposal to eliminate overtime fishery exemption, was approved, without recommendation, by Senate Labor Subcommittee May 7. The Senate Labor Committee considered the bill in executive session on May 22, May 28, June 5 and June 25-26 but took no final action. House bills were considered by House Labor Subcommittee in executive session June 3, June 14, and June 18-20.

Waste disposal—H. R. 1082 (Byrnes of Wis.), H. R. 2463 (Lipscomb of Calif.), and H. R. 4134 (Simpson of Pa.), to allow rapid amortization of waste disposal facilities and treatment works, have been introduced. N.C.A. supports the proposal, which is before House Ways and Means Committee.

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